

April 13, 2021



Oregon Progressive Party Independent Party of Oregon

Position on Bills at 2021 Session of Oregon Legislature:

Dear Committee: **HB 3324: Oppose**

The Independent Party of Oregon and Oregon Progressive Party oppose this bill, which would transfer the duties, functions, and powers of the Oregon Department of Transportation related to regulation of vehicle dealers and dismantlers to an "Oregon Vehicle Industry Board" comprised of individuals who represent those same businesses. It is the epitome of putting foxes in charge of the hen house.

Of the 13 members of the new Board, 2 must represent franchise dealers of new vehicles, 2 must represent dealers of used vehicles, 2 must represent Oregon vehicle dismantlers, 1 must represent recreational vehicle dealers, 1 must represent vehicle dealership office management interests, 1 must represent auto auctions, 1 must represent dealers of motorcycles, mopeds or all-terrain vehicles.

The means that the industry to be regulated itself gets 10 of the 13 members of the Board, which assumes all of the "duties, functions and powers of the Department of Transportation related to the regulation of vehicle dealers and dismantlers, including the issuance of certificates to vehicle dealers and dismantlers."

Not only that, the new Board gets all of the revenue generated by:

- (a) Fees collected under ORS 822.700 for issuance or renewal of:
 - (A) Dismantler certificates;
 - (B) Vehicle dealer certificates; and
 - (C) Show licenses.
- (b) Late fees collected under ORS 822.700.
- (c) Fees collected under ORS 822.705.
- (d) Moneys from civil penalties imposed under ORS 822.009, 822.100, 822.137 and 822.992

The Board also receives all balances of money owned by the Oregon Department of Transportation related to the functions transferred. The Board can also adopt rules

governing those functions.

This would put the vehicle dealers in charge of the regulation of vehicle dealers. The laws that the new Board would administer include many provisions protecting consumers and other businesses from unethical practices, including those by vehicle dealers (including recreational vehicles), vehicle dismantlers, car towing operations, and driving schools. HB 3324 would leave enforcement of all such requirements up to the new Board, apparently including even the imposition of criminal penalties. Many violations are criminal misdemeanors, such as failing to provide valid titles on sold vehicles. How a Board comprised 77% of industry representatives are supposed to enforce against both civil and criminal violations of the Vehicles Code is a mystery.

HB 3324 would not only institutionalize regulatory self-dealing, it would also allow impairment of business competition. The established vehicle dealers and others on the Board could easily erect barriers to entry by new vehicle dealers by exercising their rulemaking powers and through discriminatory enforcement of the laws and rules.

If putting businesses in charge of regulating themselves, why not put every industry in charge of its own regulation? Why not just abolish the government and let all businesses do whatever they want to do?

Oregon Progressive Party

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